

CORPORATE AND POSTAL BUSINESS LAW SECTION
LAW DEPARTMENT



February 4, 2022

Hon. Erica A. Barker, Secretary
Postal Regulatory Commission
901 New York Avenue, NW, Suite 200
Washington, DC 20268-0001

Dear Ms. Barker:

In accordance with Commission Order No. 5591, issued July 20, 2020 in Docket No. MT2020-2, the Postal Service hereby submits the attached Extended Mail Forwarding market test data collection report for Fiscal Year 2022, Quarter 1.

If you have any questions, please do not hesitate to contact me.

Best regards,

Sean C. Robinson
Attorney
Pricing and Product Support

PRC REPORT FY22 Q1

PROGRAM: Extended Mail Forwarding Marketing Test

LAUNCH DATE FOR MARKET TEST: August 1, 2020 (only includes data for 9 districts)

TIME PERIOD OF EVALUATION: October 1, 2020 through December 31, 2021 (includes nationwide data by Area)

DESCRIPTION: For a fee, Extended Mail Forwarding will provide customers who submit a permanent change-of-address (COA) request with the option to extend their mail forwarding in six-month increments (up to three six-month extensions) of all First-Class Mail, First-Class Package Service Commercial, and Priority Mail mailpieces beyond the initial 1 year forwarding period.

METRICS:

1) Number of Extensions

Area	# of 6 Month Extensions	# of 12 Month Extensions	# of 18 Month Extensions	Total Extensions
Atlantic	37,452	21,317	10,693	69,462
Central	21,878	11,380	5,332	38,590
Southern	37,658	18,802	8,639	65,099
Western-Pacific	47,653	25,953	13,542	87,148
Other (Military ZIP Codes)	45	14	8	67
Total	144,686	77,466	38,214	260,366

Source: Extended Mail Forwarding Monthly Push Report

2) Revenue

Area	Revenue from 6 Month Extensions	Revenue from 12 Month Extensions	Revenue from 18 Month Extensions	Total Revenue
Atlantic	\$747,167.40	\$638,444.15	\$427,185.35	\$1,812,796.90
Central	\$436,466.10	\$340,831.00	\$213,013.40	\$990,310.50
Southern	\$751,277.10	\$563,119.90	\$345,128.05	\$1,659,525.05
Western-Pacific	\$950,677.35	\$777,292.35	\$541,002.90	\$2,268,972.60
Other (Military ZIP Codes)	\$897.75	\$419.30	\$319.60	\$1,636.65
Total	\$2,886,485.70	\$2,320,106.70	\$1,526,649.30	\$6,733,241.70

Source: Extended Mail Forwarding Monthly Push Report

3) Number of customers and ratio of individuals, families, and businesses

Area	# of Extensions by Individuals	# of Extensions by Families	# of Extensions by Businesses	Total Customers
Atlantic	39,342	24,443	5,677	69,462
Central	20,590	15,075	2,925	38,590
Southern	33,783	26,389	4,927	65,099
Western-Pacific	48,753	31,717	6,678	87,148
Other (Military ZIP Codes)	33	34	0	67
Total	142,501	97,658	20,207	260,366

Area	% of Extensions by Individuals	% of Extensions by Families	% of Extensions by Businesses
Atlantic	57%	35%	8%
Central	53%	39%	8%
Southern	52%	41%	8%
Western-Pacific	56%	36%	8%
Other (Military ZIP Codes)	49%	51%	0%
Total	55%	38%	8%

Source: Extended Mail Forwarding Monthly Push Report

a. Volume of mailpieces forwarded

Month	EMF Customers	Forwarded Pieces	Customers Not EMF	RTS/Wasted Pieces
October	53,182	85,063	3,052,129	15,137,467
November	58,684	92,420	2,904,943	13,452,607
December	73,445	115,426	2,774,662	13,758,145
Total	185,311	292,909	8,731,734	42,348,219

Source: Extended Mail Forwarding Forwarded Volume Monthly Push Report

4) Attributable costs

Description	Individual Cost	Number of Items	Total Cost
Development Costs			
Server Purchase	N/A	20 servers	\$281,167.60
RSS Development and Testing	N/A	N/A	\$32,393.48
COA and MGO Development and Testing	N/A	N/A	\$157,545.69
Attributable			
IT Maintenance - FY 2020*	\$1,622.40	20 servers	\$32,448.00
RSS - Clerk Transaction (~2.88 min per request)**	\$4.36	557	\$2,428.52
Total			\$505,983.29

*Source: Engineering – Delivery & Retail Systems, National Change of Address (NCOA), Computer Operations,

**FY20 Window Cost Study

The attributable costs for Extended Mail Forwarding include both fixed and variable costs. The IT Maintenance costs are associated with maintenance of 20 dedicated servers, which is a fixed cost associated with offering the service, regardless of the quantity or location of the requests. Therefore, the IT Maintenance costs are not reported by district. The RSS – Clerk Transaction costs are variable, based on the number of Extended Mail Forwarding requests that are processed at a retail window and can be broken down by Area (see table below).

Area	Individual Cost*	# RSS requests**	Total Cost
Atlantic	\$4.36	192	\$ 837.12
Central	\$4.36	118	\$ 514.48
Southern	\$4.36	83	\$ 361.88
Western-Pacific	\$4.36	164	\$ 715.04
Other (Military ZIP Codes)	\$4.36	0	\$ -
Total		557	\$ 2,428.52

*Source: Engineering – Delivery & Retail Systems, National Change of Address (NCOA), Computer Operations, FY20 Window Cost Study

**Source: Extended Mail Forwarding Monthly Push Report

Note: All Extended Mail Forwarding request for Military ZIP Codes were submitted via usps.com

5) Comparison by Quarter

Quarter	Revenue	Extensions	EMF Customers	Forwarded Pieces	Customers Not EMF	RTS/Wasted Pieces
Q1	\$6,733,241.70	260,366	185,311	292,909	8,731,734	42,348,219
Total	\$6,733,241.70	260,366	185,311	292,909	8,731,734	42,348,219

Source: Extended Mail Forwarding Forwarded Volume Monthly Push Report